

2. PROJECT CHARACTERISTICS

- a. *Provide a description of the project, including the conceptual design. Describe the proposed project in sufficient detail so that type and intent of the project, the location, and the communities that may be affected are clearly identified.*

PROJECT DESCRIPTION

The Site

Since colonial times, Route 7 has been a gateway into lush Loudoun County. As the area has grown in recent decades, this gateway can now become an iconic emblem for Loudoun County – a town center that is instantly recognizable to residents and visitors alike as the entryway to the seat of government as well as a welcoming, easily accessible place for friends and families to congregate and visit.

The Capital Associates Management, LLC (Capital Associates) team offers a 77-acre Site (the “Loudoun on 7 Site” or “Site”) fronting historic Route 7, complete with on- and off-site road infrastructure. A four-lane divided parkway will extend through the Site. This parkway will connect to Riverside Drive on the west at Janelia Farms/Howard Hughes Medical Institute, and connect with Route 7 at Smith Circle to the east. The parkway creates a parallel boulevard to Route 7, which extends the connection of eastern Loudoun County along Route 7 to Leesburg. This also creates a second artery for traffic normally traveling on Route 7, taking pressure off that primary thoroughfare. The ensuing connectivity will provide County employees, residents, and the general public an even easier route to this already accessible Site.

We provide four development options, or master plans, for this project. Each plan includes a town square or village green, is well connected to the surrounding civic buildings, and heavily emphasizes sustainable construction and existing natural resources. We envision this project as being a dense, compact, and dynamic mixed-use commercial development, which serves as a gathering place for County employees and the general public. The Site will contain nine or 10 office buildings, including two to four government buildings and other civic structures; three banks; a nature center; daycare and exercise facilities; a hotel; approximately 40,000 square feet of varied retail and restaurant space with room for up to seven restaurants; walking and biking trails that may possibly connect with currently underutilized natural amenities like the Potomac River; and other various cultural amenities. Natural areas and dedicated parkland with a stream will further accentuate the development.

We have chosen Cooper Carry, a renowned architectural and master planning firm with a proven track record of creating great places, to design the Site. Everything in

2. PROJECT CHARACTERISTICS

the development will be designed with both pedestrians and automobiles in mind. Employees and visiting County residents will enter a Site that is both vehicle accessible and pedestrian-friendly. Designed completely to pedestrian scale, employees and visitors can arrive at the Site by public transit or private vehicle, park in structured parking spaces, and never have to drive during their time there. We propose a Virginia Regional Transit stop for “7 To 7 On 7” buses on Site. Potentially, out-of-town visitors could arrive via bus, walk from hotel to office to café, and never need a car throughout their entire visit.

With an active 12- to 16-hour environment, County residents, employees and other visitors will be drawn to daytime office and civil uses, which will spill over into retail and recreational activities at night. Site employees will be able to use the fitness facility early in the morning, the daycare center throughout the day for the care of their children, and the restaurants and open park-like spaces in the evening. They can walk across the street for a sandwich, pick up some flowers, stop by a café for a bite to eat, or watch local thespians perform at an outdoor theatre. Public art is also planned for incorporation throughout the space. Furthermore, we are dedicating land around the existing streams specifically to encourage conservation through an active educational nature center and 1.5 acres of dedicated park with 3,500 linear feet of stream.

In short, the Loudoun on 7 Site could be in constant use by employees, Loudoun residents and visitors alike for office, community, retail and recreational needs.

Logistics

Logistically, Loudoun on 7 owns this property. For Loudoun County, that means timely, cost-effective deliverables, and the opportunity to deliver the requisite 100,000 square foot building quickly and separately, if needed, from the 400,000 square foot building. Permitting is already underway for the 100,000 square foot space, and a grading permit should be issued by May 2007. Delivery of the 100,000 square foot building could occur as early as December 2008. This provides the County the opportunity to begin consolidating its employees and offices by moving some of them into the 100,000 square foot building beginning as early as December 2008 – just as existing leases for rented space begin to expire.

The primary 400,000 square foot Government Administrative Center building could be completed as early as summer of 2011. The entire Site is already appropriately zoned for the uses contemplated, and geotechnical testing and title work have been completed.

In all four of our master plan options, we propose two or three structured parking decks flanking the primary government building. Controlled-access parking for County-owned vehicles and County employees offers more security for County

2. PROJECT CHARACTERISTICS

assets. We propose that 3.64 parking spaces be allocated per 1,000 square feet for office use, as well as one additional space per 1,000 square feet of gross floor area to accommodate the parking of County-owned vehicles. The Site also provides an additional minimum 300,000 square feet of facility rentable area and associated parking to support the County's central facility requirements for its 20-year planning horizon beyond initial occupancy.

In conjunction with the project's emphasis on natural resources, we will recommend Leadership in Energy and Environmental Design (LEED) certification. We offer all the resources necessary to complete the LEED process. "Going green" offers far-reaching, tangible benefits and a very real source of community pride. Reduced energy consumption in green buildings results in reduced operational expenses. Lower operational costs from sustainable materials techniques and large, efficient office floor plans reduce the life-cycle costs of the building. Additionally, green floor plans are often more economically reconfigured. Also, the quality of the working environment improves, providing a tangible human resource benefit. The Capital Associates Team will work with the County to identify the appropriate energy efficiency goals and LEED certification level. This could result in a cost-effective, long-term County investment.

Financing

The Loudoun on 7 Team offers several structures for financing this project throughout all phases of development, and we are willing to consider any number of scenarios with the County. Please see Section 3 for more information.

Benefits

The Site location at Routes 7 and 28 offers a gateway intersection from Fairfax County into Loudoun County. The master plan design encourages accessibility and pedestrian connections within the plan, as well as into the adjacent communities and open space areas. The master plan will be porous for both automobiles and pedestrians, creating a welcoming public gathering and civic venue for the residents of Loudoun County and the general public.

The Site comprehensively combines elements of community, campus, and office. The town square presents a cohesive center for the development and invokes a strong "sense of place" unique to Loudoun County, while still recognizing and meeting any and all Site security needs. Retail and restaurant uses are a central feature of the plan. Retail and civic spaces will encourage afternoon, evening and weekend activity. Furthermore, the office/retail connection promotes pedestrian activity among the various office uses. The Site includes active and passive areas; structured parking to maintain pedestrian friendly Site distances and to minimize expansive, hot asphalt parking areas; and wide sidewalks to promote walking. At that all-important

2. PROJECT CHARACTERISTICS

pedestrian scale, we will mix office, civic, government, hotel, retail, dining, banking, childcare, and nature preserve, all to create a vibrant all-day gathering place. Bike and walking trails will encourage healthy, outdoor activities and further promote a sense of community.

This development will also encourage economic investment in Loudoun County's future. As planned, the proposed roughly 25-acre Government Administrative Center is an integral part of a larger 77-acre mixed-use commercial development. With the proposed infrastructure improvements, Lexington Drive will connect to Riverside Drive as part of the Government Administrative Center project, rather than being hypothetically extended at some undefined future date. Besides the Government Administrative Center, this project will include a variety of other office, retail and community uses including, among other things, approximately 40,000 square feet of retail and restaurant space; three banks; a daycare center; a civic center; and a hotel.

Rather than just containing a series of institutional buildings that are separated from the surrounding community, we envision the Loudoun on 7 Site as a cohesive, dynamic County and community hub which provides a well-balanced, unique centerpiece of the highest quality for Loudoun County government and civic activities.

CONCEPTUAL DESIGN

Overall Project

The Loudoun on 7 Site will be a dynamic mixed-use commercial center combining elements of community, campus and office while simultaneously emphasizing the County's already existing natural resources. The Site is currently planned to contain office buildings, including governmental buildings and other civic structures; a nature center; daycare and exercise facilities; a hotel; approximately 40,000 square feet of varied retail and restaurant space with room for up to seven restaurants; as well as walking and biking trails; and natural, open-space areas. The Site would also accommodate all necessary buffers, landscaping, stormwater facilities, roadways and utility rights-of-way necessary to support both the proposed and future facilities.

All four of our master plans contemplate the construction of two structured parking decks serving the project. We propose that 3.64 parking spaces be allocated per 1,000 square feet of office space, as well as one additional parking space per 1,000 square feet of gross floor area to accommodate the parking of County-owned vehicles at the central facility. Controlled-access parking would be available for County-owned vehicles and employees.

Government Administrative Center

2. PROJECT CHARACTERISTICS

The initial County-constructed facilities comprising the new Government Administrative Center would include both a Class-A office building containing a minimum of 400,000 square feet of facility rentable area to house the County's general government agencies, as well as a separate, collocated Class-A office building containing a minimum of 100,000 square feet of facility rentable area to house elements of the County's human/community services agencies. The project can easily be re-sequenced to allow the County to take delivery of the 100,000 square foot building separately from the 400,000 square foot building. The delivery of the 100,000 square foot building can occur as early as December 2008. Permitting is already underway for the 100,000 square foot space and a grading permit is expected to be issued by May 2007. Such a re-sequencing would give the County the opportunity to begin consolidating its employees and offices. For instance, the County could move elements of the human/community services agencies from their current locations to the new 100,000 square foot space. County employees and offices from other locations can then be consolidated by moving into remaining vacant space in the Harrison Street building as the various lease terms expire. Once the 400,000 square foot building is constructed, the remaining Harrison Street County employees can move into the primary Government Center building. The 400,000 square foot building can be delivered as early as Summer of 2011. Furthermore, the Site provides at least an additional 300,000 square feet of facility rentable area and associated parking to support the County's central facility requirements for the 20-year planning horizon beyond initial occupancy.

LOCATION

The Loudoun on 7 Site is ideally located on historic Route 7, approximately six miles east of the City of Leesburg, less than a mile from the Loudoun County Parkway, and only eight miles from Washington Dulles International Airport. Furthermore, the Site is sandwiched between two prestigious research and educational institutions: the Janelia Farm Campus of the Howard Hughes Medical Institute, and The George Washington University Virginia Campus. The Site is also located within the Suburban Policy Area as identified on the Site plan prepared by Christopher Consultants set forth in Appendix G.

Wells & Associates has recently prepared traffic impact studies in the vicinity that included the Site, which concluded that:

- The vicinity of the proposed Government Administration Center provides a mixture of diverse commercial and residential uses. The community is made up of Howard Hughes Medical Institute, Lansdowne, Ashbrook, Ashburn, future One Loudoun and University Center, creating a dynamic mixed-use area that is growing together to achieve responsible growth for Loudoun County. The area is pedestrian and bicycle friendly and has the opportunity to provide a strong transit link to the extension of Metro. This

2. PROJECT CHARACTERISTICS

link is made stronger with the County Government Center providing a transit hub midway between Leesburg and Sterling.

- Route 7 provides exceptional access to the major thoroughfares throughout the County and Northern Virginia. This is achieved with connections to Route 28, Route 15, Loudoun County Parkway, and Route 659. Route 7 also provides access to the Greenway and Route 50 via these other routes. These roadways could be a natural extension of Metro with Bus Rapid Transit (BRT) systems feeding the stations planned along the Greenway.
- The intersections in the study area would operate at similar levels of service, with or without development of Loudoun on 7.

Mixed-use developments allow people to live, work, shop, and play. Trips between uses are short, and can be made on foot or by transit, rather than traveling outside the development by private automobiles. Wells & Associates' studies have demonstrated significant auto-trip reductions at external driveways for mixes of uses compared to stand-alone uses.

The Loudoun on 7 Site is a superior, centrally-located Site for the County's new Government Administrative Center. Here are some of the Site's key benefits:

Proximity to County Residents

The large majority of Loudoun County residents live in the eastern portion of the County, between Leesburg and Fairfax County. In fact, according to the 2005 Annual Growth Summary published by the Department of Economic Development, approximately 75.0 percent of the County population lives in this part of the County (planning subareas Leesburg, Ashburn, Potomac, and Sterling). Currently, most County government offices are located at the far western edge of this area. Moving the County's governmental offices to a more central location in the eastern part of the County will provide greater convenience to a much larger number of County residents.

The Loudoun on 7 Site is centrally located within a development Corridor (the Route 28 and Route 7 Corridors as defined by the Department of Economic Development) that is the locus of a very significant portion of the County's population and employment. This Corridor included approximately 35.8 percent of the County population in 2005 (88,400), according to an analysis of traffic analysis zones (TAZs) published by the Metropolitan Washington Council of Governments (MWCOC), and is projected to include a population of 107,500 by 2020, or 25.4 percent of the County population in that year. This Corridor includes established communities such as Cascades and Countryside, as well as several other communities

2. PROJECT CHARACTERISTICS

that continue to grow, including Ashburn, Lansdowne, and Belmont, among others.

Transportation Solution

The new Center will provide a hub for bus transit connections midway between Leesburg and Sterling with prominent bus stops at the Loudoun County Hospital, Lansdowne, George Washington University Center, etc. In addition to serving the east-west transit opportunities of the traditional commuter travel pattern, the transit hub will provide the nexus for vital north-south transit service to future Metro stations, the airport and Fairfax Connection transit.

The extension of Lexington to Riverside Parkway provides the intended “north collector” for Route 7. The at-grade intersection at Route 7 could reduce the volume of traffic accessing Janelia Farms via Route 7 from the east by 50 percent.

With the future Russell Branch Parkway extension to the Loudoun County Parkway, motorists traveling from the south toward the west can make this trip without traveling on Route 7. This connection effectively completes the intended north/south collector system for Route 7 since the extension of Riverside Parkway behind the Smith Circle residential community to University Center is highly unlikely to occur. The extension of Lexington is estimated to reduce the traffic on Janelia Farms Boulevard by 900 vehicles per day. This decrease in vehicle trips would allow for more time to be provided to other movements at the intersection.

Employment Hub

The Route 28/Route 7 Corridor accounted for about 54,700 jobs, or about 44.6 percent of total County at-place employment in 2005. MWCOG projects that the Route 28/Route 7 employment base will grow to 81,600 jobs by 2020. Although jobs also will be created at other locations in the County, the Route 28/Route 7 Corridor is projected to account for 38.3 percent of County jobs by 2020. Thus, this Corridor is expected to remain as the County’s employment hub over the next couple of decades.

Strength for Business and Industry

An analysis of major office and industrial parks by the Department of Economic Development as published in its “2005 Annual Growth Summary” underlines the business strength of this Corridor. In 2005, the Route 28/Route 7 Corridor included approximately 48.0 percent of all office and industrial space developed in the County. Further, the Department estimates that this Corridor includes approximately 37.0 percent of all developed and potentially developable office and industrial space in the County under current zoning. The Loudoun on 7 Site is centrally located within this Corridor and would provide County businesses with quick access to County governmental offices.

2. PROJECT CHARACTERISTICS

Retail Support and Opportunities

The Route 28/Route 7 Corridor is amply supplied with retail space and substantial additional space is planned for the Corridor. According to the “2005 Annual Growth Summary,” the Corridor is already served by nearly 1.3 million square feet of retail space in major approved retail centers. Another 2.4 million square feet of retail space is planned and approved for the Corridor, including the recently approved One Loudoun Center, assuring a wide range of retail opportunities to employees – including County employees – working in the Corridor.

Seeds of Learning

The Loudoun on 7 Site is flanked by two prestigious research and educational institutions: the Janelia Farm Campus of the Howard Hughes Medical Institute and The George Washington University Virginia Campus.

The world-renowned Howard Hughes Medical Institute established its Janelia Farm facility to pursue basic biomedical research that is difficult for academia or industry to pursue. The facility offers fellowships and the tools necessary to pursue basic research to scientists from around the world. The importance of such a facility to seed other businesses within the Route 28/Route 7 Corridor cannot be underestimated.

The George Washington University opened its Virginia Campus at University Center in 1991. Graduate education is offered in the areas of education and business leadership, information technology and telecommunications, engineering and transportation safety, and in the health sciences. Additionally, the National Transportation Safety Board Academy is located on the campus.

Development of the Government Administrative Center at the Loudoun on 7 Site will put the County’s administrative functions right at the heart of these important education/research communities.

Location, Location, Location

Location of the Government Administrative Center at the Loudoun on 7 Site will provide easy, affordable access to local government for all County residents, businesses and employees. A few highlights:

- Loudoun on 7 is centrally located within the Route 28/Route 7 Corridor.
- Loudoun on 7 is a less than a mile from the Loudoun County Parkway that provides direct access to the Greenway and Dulles Airport, and the emerging Route 50 Corridor to the south.

2. PROJECT CHARACTERISTICS

- Loudoun on 7 is close to the County Courthouse in Leesburg, which is about six miles to the west.
- Loudoun on 7 is not located on a toll road that would unnecessarily financially burden County residents and businesses in their dealings with the County. Nor would this location burden the employees of the County government.

It should be noted that a Greenway location would not share the breadth of these benefits for the people that matter most to the County – current and future residents, corporate citizens and County employees. In fact, a significant portion of these stakeholders would be adversely affected by a Greenway location. Take employees, for example. Estimates show that more than 68.0 percent of Loudoun County government employees live in Leesburg or to the west or north of Leesburg. Lengthy travel distances and wasted time in transit will be major problems. While the Greenway would be the quickest and most direct route to a County Government facility on the Greenway, the daily tolls would be a significant financial burden on these employees and residents.

- b. Identify and fully describe any work to be performed by the County or any other public entity.*

The Loudoun on 7 Team anticipates and welcomes active County involvement throughout the development, design and construction phases of the project. This involvement should include open and frequent dialogue between the team and the County, as well as the County's hands-on involvement in decisions that will define the configuration, function, cost-effectiveness and aesthetic qualities of the new Government Administrative Center. While there is no further work that must be performed by the County or any other public entity, the County may wish to assume certain responsibilities related to operation, maintenance, financing, etc., of the project. It is expected that these items will be addressed in the Detailed Phase and subsequent negotiations.

- c. Include a list of all federal, state, and local permits and approvals required for the project and a schedule for obtaining such permits and approvals.*

See Appendix H.

- d. Identify any anticipated adverse social, economic, environmental and transportation impacts of the project measured against the County's comprehensive land use plan and applicable ordinances and design standards. Specify the strategies or actions to mitigate known impacts of*

2. PROJECT CHARACTERISTICS

the project. Indicate if an environmental and archaeological assessment has been completed.

Except as described below, there are no known adverse social, economic, environmental or transportation impacts of the project as measured against the County's comprehensive land use plan and applicable ordinances and design standards.

The intersections in the study area would operate at similar levels of service, with or without development of the Loudoun on 7 Site.

The transfer of County employment to the Loudoun on 7 Site will create some economic disruption for locations, such as Leesburg, that lose County government employees. According to County information, about 65.0 percent of existing County employees are candidates for relocation to a new Government Administrative Center. However, we expect that growth in governmental functions, such as those housed at the Courthouse, will likely mitigate most possible adverse impacts.

An environmental assessment was completed in November 2005 and an archaeological assessment was completed in August 2004. No abnormalities were found. Reports are available for inspection upon request.

- e. Identify the projected positive social, economic, environmental and transportation impacts of the project measured against the County's comprehensive land use plan and applicable ordinances and design standards.*

See Appendix I

- f. Identify the proposed schedule for the work on the project, including sufficient time for the County's review and the estimated time for completion.*
- f – The schedule shall also include development, design, construction, building commissioning, furnishing, occupancy, and County move-in. Any visual timeline schedules may be placed on 11x17-sized paper and folded into the submission proposal.*

See Appendix J.

- g. Identify contingency plans for addressing public needs in the event that all or some of the project is not completed according to projected schedule.*

2. PROJECT CHARACTERISTICS

Based on our current schedule for the development of Loudoun on 7, we project completion of the two major County facilities to occur well within the 72-month timeframe contemplated by the County. However, we would propose multiple contingency strategies should the schedule become at-risk. These include:

- Schedule acceleration: Gilbane will hold appropriate construction contingencies to allow for an increase of trades on Site and multiple shifts to accelerate construction.
- Utilization of swing space: Phase One of the current development plan includes the construction of a 100,000 square foot office building that could provide critical swing space for the County until the key administrative facilities are complete.
- Phased occupancy: The Loudoun on 7 Team could also work with the County to develop a phased occupancy approach to the administrative facilities to accommodate the County within completed facilities while the remainder of the facility(ies) are being completed. This could also include partial occupancy of the Phase One office facility as part of a phased occupancy strategy.

h. Propose allocation of risk and liability, and assurances for timely completion of the project.

In the detailed phase of this proposal, the Loudoun on 7 Team is prepared to discuss the extent of the shift of risk from the public to the private sector, and our team is prepared to negotiate the allocation of such risk. We will also discuss means of assuring timely completion of projects in the context of risk.

Managing construction risk is critical to a successful project. During the design phase of the project, Capital Associates will work closely with Gilbane and Cooper Carry to develop a comprehensive approach to construction means and methods, material selection, sequencing, packaging and buy-out of the construction project to mitigate risk from both a schedule and cost perspective. Of particular importance, Gilbane will look to buy-out higher risk packages early in order to lock-in availability and guard against future cost escalation. For example, the design phase and buy-out of Gilbane's 500,000 square Canton Crossing Development project in Baltimore coincided with the sudden spike in steel pricing in 2004. The Canton tower design included 5,200 tons of structural steel, putting the project at significant risk. Gilbane's pre-construction team worked closely with the owner, tenant and architect to closely track pricing, propose a strategy for early buy-out of steel and to make alternate material choices in building skin in order to offset the increases already incurred.

2. PROJECT CHARACTERISTICS

In addition, the team will also look to economies of scale that can be achieved in buying out a large-scale development in order to lower both cost and risk. This could include such strategies as developing an early package to buy-out elevator banks for the entire development in order to ensure timely availability for the County's buildings at the best price possible. This early, comprehensive and thoughtful strategy for buy-out and construction is one of the most effective means the team will employ to mitigate risk and ensure timely completion of the project.

- i. State assumptions related to ownership, legal liability, law enforcement, and operation of the project and the existence of any restrictions on the County's use of the project.*

Law enforcement will continue to be the responsibility of the Loudoun County Police Department. Operation of facilities utilized by the County will be managed by appropriate County departments and personnel, unless the County prefers otherwise. The Loudoun on 7 Team does not foresee any restrictions on the County's use of portions of the project intended for the County's use and benefit. Discussion of ownership and legal liability is included in the confidential segment of this proposal.

- j. Provide information relative to phased openings of the proposed project.*

The Loudoun on 7 project can be completed either as one turn-key operation or in two or more phases as buildings are completed. If the County elects a phased opening, it could regain some of the efficiencies lost due to the current disbursement of various County offices in and around Leesburg, particularly since the leases expire at various times.

Capital Associates is currently awaiting approval by the County of the site plan for the Site's initial 100,000 square-foot building. The grading permit for this structure is expected in May 2007. If the County elects a phased project opening, its human/community services agencies could be moved into this initial building in December 2008. As the existing third-party leases later expire, other County agencies could be consolidated into the County's current main facility in Leesburg. See information on the current leases in Appendix K.

Any phased opening will be designed to respond to the County's preferences, requirements and relocation schedules. The Loudoun on 7 Team looks forward to discussing the possibility of project phases as this PPEA proposal process moves forward into the detailed stage.

- k. List any other assumptions relied on for the project to be successful.*

Other than as set forth in this proposal, the Loudoun on 7 Team is not relying on any other assumptions for the project to be successful.

2. PROJECT CHARACTERISTICS

1. *List any contingencies that must occur for the project to be successful.*

Other than as set forth in this proposal, there are no other contingencies that must occur for the Loudoun on 7 project to be successful.

1405063v7